

JS-6

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

RANDY ROMERO; ET AL.,

Plaintiff,

v.

GROWLIFE, INC.; ET AL,

Defendants.

AND RELATED CASES

This Document Relates To: All Actions

Master File No.

CV14-3015-CAS(JEMx); c/w:
CV14-3183-CAS(JEMx); and
CV14-4112-CAS(JEMx)

CLASS ACTION

**~~PROPOSED~~ ORDER AND
FINAL JUDGMENT**

Hon. Christina A. Snyder

CV14-3015-CAS(JEMx)

1 On the 3rd day of August, 2015, a hearing having been held before this
2 Court to determine: (1) whether the terms and conditions of the Stipulation and
3 Agreement of Settlement dated March 26, 2015 (the “Stipulation”) are fair,
4 reasonable, and adequate for the settlement of all claims asserted by the Settlement
5 Class against GrowLife, Inc., Sterling C. Scott, John Genesi, Marco Hegyi, Rob
6 Hunt, Eric Shevin, Alan Hammer, Anthony Ciabattini, and Jeff Giarraputo
7 (collectively, the “Defendants”); and (2) whether to approve the proposed Plan of
8 Allocation as a fair and reasonable method to allocate the Net Settlement Fund
9 among the Settlement Class Members; and

10 The Court having considered all matters submitted to it at the hearing and
11 otherwise; and

12 It appearing that the Postcard Notice substantially in the form approved by
13 the Court in the Court’s Order Preliminarily Approving Settlement and Providing
14 For Notice (“Preliminary Approval Order”) was mailed to all reasonably
15 identifiable Class Members; and

16 It appearing that the Summary Notice substantially in the form approved by
17 the Court in the Preliminary Approval Order was published in accordance with that
18 Order and the specifications of the Court;

19 NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUGED AND
20 DECREED THAT:

21 1. Unless indicated otherwise, capitalized terms used herein have the
22 same meanings defined in the Stipulation.

23 2. The Court has jurisdiction over the subject matter of the Litigation,
24 Lead Plaintiff, all Class Members, and the Defendants.

25 3. The Court finds that the prerequisites for a class action under Rule
26 23(a) and (b)(3) of the Federal Rules of Civil Procedure have been satisfied in that:
27 (a) the number of Settlement Class Members is so numerous that joinder of all
28 members thereof is impracticable; (b) there are questions of law and fact common
to the Settlement Class; (c) the claims of the Lead Plaintiff are typical of the claims
of the Settlement Class they seek to represent; (d) Lead Plaintiff fairly and
adequately represents the interests of the Settlement Class; (e) the questions of law

1 and fact common to the members of the Settlement Class predominate over any
2 questions affecting only individual members of the Settlement Class; and (f) a
3 class action is superior to other available methods for the fair and efficient
4 adjudication of this Litigation. The Settlement Class is being certified for
5 settlement purposes only.

6 4. Pursuant to Rule 23(a) and (b)(3) of the Federal Rules of Civil
7 Procedure, the Court hereby certifies as a settlement class all persons who
8 purchased or otherwise acquired Growlife common stock during the period from
9 November 14, 2013, through and including April 9, 2014, and were damaged
10 thereby. Excluded from the Settlement Class are Defendants and all former
11 officers and directors of Growlife, and all such excluded persons' immediate
12 families, legal representatives, heirs, predecessors, successors, and assigns, and any
13 entity in which any excluded person has or had a controlling interest, and any
14 persons who have separately filed actions against one or more of the Defendants,
15 based in whole or in part on any claim arising out of or relating to any of the
16 alleged facts, omissions, misrepresentations, facts, events, matters, transactions, or
17 occurrences referred to in the Litigation or otherwise alleged, asserted, or
18 contended in the Litigation. Also excluded are those persons who file valid and
19 timely requests for exclusion in accordance with this Order.

20 5. Pursuant to Rule 23 of the Federal Rules of Civil Procedure, Lead
21 Plaintiff is certified as the class representative on behalf of the Settlement Class
22 and the Lead Counsel previously selected by Lead Plaintiff and appointed by the
23 Court, is hereby appointed as Lead Counsel for the Settlement Class (or "Class
24 Counsel").

25 6. The Court hereby finds that the forms and methods of notifying the
26 Class of the Settlement and its terms and conditions met the requirements of due
27 process and Rule 23 of the Federal Rules of Civil Procedure, Section 21D(a)(7) of
28 the Exchange Act, 15 U.S.C. § 78u-4(a)(7), as amended by the Private Securities
Litigation Reform Act of 1995; constituted the best notice practicable under the
circumstances; and constituted due and sufficient notice to all persons and entities
entitled thereto of these proceedings and the matters set forth herein, including the

1 Settlement and Plan of Allocation, to all persons entitled to such notice. No Class
2 Member is relieved from the terms of the Settlement, including the releases
3 provided for therein, based upon the contention or proof that such Class Member
4 failed to receive actual or adequate notice. A full opportunity has been offered to
5 the Class Members to object to the proposed Settlement and to participate in the
6 hearing thereon. The Court further finds that the notice provisions of the Class
7 Action Fairness Act, 28 U.S.C. § 1715, were fully discharged and that the statutory
8 waiting period has elapsed. Thus, it is hereby determined that all members of the
9 Class are bound by this Order and Final Judgment except those persons listed on
10 Exhibit A to this Order and Final Judgment.

11 7. The Settlement is approved as fair, reasonable and adequate, and in
12 the best interests of the Class. Lead Plaintiff and the Defendants are directed to
13 consummate the Settlement in accordance with the terms and provisions of the
14 Stipulation.

15 8. Plaintiffs' Complaint against Defendant is hereby dismissed with
16 prejudice and without costs.

17 9. Lead Plaintiff and the Settlement Class Members hereby release and
18 forever discharge the Released Parties from any and all Settled Claims. Lead
19 Plaintiff and the Settlement Class members are hereby permanently and forever
20 enjoined from prosecuting, attempting to prosecute, or assisting others in the
21 prosecution of the Settled Claims against the Released Parties, as set forth in the
22 Stipulation.

23 10. Each of the Defendants, including any and all of his/her/its successors
24 in interest or assigns, hereby releases and forever discharges any and all Settled
25 Defendants' Claims, to the extent they relate to the subject matter of this Litigation
26 or its prosecution thereof, against the Lead Plaintiff, any of the Settlement Class
27 Members, and any of their counsel, including Class Counsel.

28 11. The Court hereby finds that the proposed Plan of Allocation is a fair
and reasonable method to allocate the Net Settlement Fund among Class Members

1 12. The Court finds that all parties and their counsel have complied with
2 each requirement of Rule 11 of the Federal Rules of Civil Procedure as to all
3 proceedings herein.

4 13. Neither this Order and Final Judgment, the Stipulation, nor any of the
5 negotiations, documents or proceedings connected with them shall be:

- 6 a. referred to or used against the Released Parties or against the Lead
7 Plaintiff or the Settlement Class as evidence of wrongdoing by
8 anyone;
- 9 b. construed against the Released Parties or against the Lead Plaintiff
10 or the Settlement Class as an admission or concession that the
11 consideration to be given hereunder represents the amount which
12 could be or would have been recovered after trial;
- 13 c. construed as, or received in evidence as, an admission, concession
14 or presumption against the Settlement Class or any of them, that
15 any of their claims are without merit or that damages recoverable
16 under the Complaint would not have exceeded the Settlement
17 Fund; or
- 18 d. used or construed as an admission of any fault, liability or
19 wrongdoing by any person or entity, or offered or received in
20 evidence as an admission, concession, presumption or inference
21 against any of the Released Parties in any proceeding other than
22 such proceedings as may be necessary to consummate or enforce
23 the Stipulation.

24 14. Exclusive jurisdiction hereby retained over the Parties for all matters
25 relating to the Litigation, including the administration, interpretation, effectuation
26 or enforcement of the Stipulations, or Settlement and this Order and Final
27 Judgment, and including any application for fees and expenses incurred in
28 connection with administering and distributing the settlement proceeds to the Class
Members.

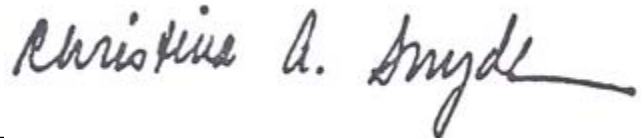
 15. Without further order of the Court, the Parties may agree to
reasonable extensions of time to carry out any of the provisions in the Stipulation.

1 16. There is no just reason for delay in the entry of this Order and Final
2 Judgment and immediate entry by the Clerk of the Court is directed pursuant to
3 Rule 54(b) of the Federal Rules of Civil Procedure.

4 17. The finality of this Order and Final Judgment shall not be affected, in
5 any manner, by rulings that the Court may make on Plaintiffs' Counsel's
6 application for an award of Attorneys' Fees and Expenses.

7 18. In the event that the Settlement does not become final and effective in
8 accordance with the terms and conditions set forth in the Stipulation, then this
9 Order and Final Judgment shall be rendered null and void and be vacated and the
10 Settlement and all orders entered in connection therewith shall be rendered null
11 and void (except as provided in L.6. in the Stipulation), and the parties shall be
12 deemed to have reverted to their respective status prior to the execution of this
13 Stipulation, and they shall proceed in all respects as if the Stipulation had not been
14 executed and the related orders had not been entered, preserving in that event all of
15 their respective claims and defenses in the Litigation, and shall revert to their
16 respective positions in the Litigation.

17 Dated: August 3, 2015

A handwritten signature in dark ink, appearing to read "Christina A. Snyder", with a long horizontal flourish extending to the right.

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19 HON. CHRISTINA A. SNYDER
20 UNITED STATES DISTRICT JUDGE
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